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1948

File No. Mining Leases — 48

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Legal DEPARTMENT

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Subject:— Mining Leases

Anual Returns of Applications for Minirat Conecssion

P.18/E

Mining Leases 148

File No.

Ltd. Sectt. Slip. 24 A

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Legal Department File No. Mining Lease/98.

Sr. No.	Compilation No.	Subject	Pages.
1)	R.J. No 12 6/1/48	Mining lease – Renewal of the combined to m/s. Killick Nixon & Co.	1–17
2)	R.J. No 955 1/2/48.	Mining Lease for a ~~spiece~~ species of hydrated iron oxide and admixture of a clayey substance —.	

RAN 6/1 Letter.

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To,

The Solicitor to Government,
in the Legal Department,
Bombay.

No.S.79/12 + 18. Karwar, 31st December 1947.

Subject :- Mining Lease.
Renewal of the com ined to M/s.Killick Nixon & Co.

Reference : Government Letter, R.D.No.6378/G/28-I,
dated 18.12.1947.

A copy of the mining lease granted to M/s.Killick Nixon & Co. Bombay, is sent herewith.

Please acknowledge its receipt.

17/6/1

for Collector of Kanara.

Copy submitted to Government in the R.D. for information.
Copy submitted to the Commissioner, S.D.

k.

Acknowledge receipt

In Tail

Original executed on a general stamp paper
of Rs (42-12-) forty two Rupees twelve only

MINING LEASE

THIS INDENTURE made this 2nd day of July 1947 BETWEEN THE GOVERNOR OF BOMBAY (hereinafter referred to as the Government which expression shall where the context so admits be deemed to include his successors in office and assigns) of the one part; the Kanara Mining Co., Ltd., having its registered office in Bombay (hereinafter referred to as "the lessee" which expression shall where the context so admits be deemed to include its successors and its permitted assigns) of the other part.

WITNESSETH that in consideration of the rents and royalties covenants and agreements by and in these presents and the Schedule hereunder written reserved and contained and on the part of the lessee to be paid observed and performed the Government hereby grants and demises unto the lessee ALL THOSE the mines beds veins and seams of manganese ore (hereinafter and in the said Schedule referred to as the said minerals) situate, lying and being in or under the lands which are referred to in Part I of the said Schedule TOGETHER with the liberties, powers and privileges to be exercised or enjoyed in connection therewith which are mentioned in Part II of the said Schedule SUBJECT to the restrictions and conditions as to the exercise and enjoyment of such liberties, powers and privileges which are mentioned in Part III of the said Schedule EXCEPT and reserving out of this demise unto the Government the liberties, powers and privileges mentioned in Part IV of the said Schedule TO HOLD the premises hereby granted and demised unto the lessee from the first day of October 1944, for the term of five years thence next ensuing YIELDING AND PAYING therefor unto the Government the several rents and royalties mentioned in Part V of the said Schedule at the respective times therein specified SUBJECT to the provisions contained in Part VI of the said Schedule *AND* the lessee hereby covenants with the Government as in Part VII of the said Schedule is expressed *AND* the Government hereby covenants with the lessee as in Part VIII of the said Schedule is expressed *AND* it is hereby mutually agreed between the parties hereto as in Part IX of the said Schedule is expressed.

IN WITNESS WHEREOF these presents have been executed in manner hereunder appearing the day and year first above written.

THE SCHEDULE ABOVE REFERRED TO

Part I.—The Area of this Lease

Description of Area.

All that tract of land situate at Pardhani and Gavegali Villages in (Pargana) Haliyal Taluka in the Registration District of Kanara bearing Cadastral Survey Nos. 14 part and 5 part of Pardhani and 106 part and 120 part of Gavegali Villages containing an area of 840 acres and 6 gunthas or thereabouts delineated on the plan hereto annexed and thereon coloured red and bounded as follows:—

on the North by Pardhani Survey Nos. 14 part and 21;

on the South by Gavegali Survey No. 120 part;

on the East by Pardhani Survey No. 5 part and Gavegali Survey No. 106 part and 120 part;

and on the West by Pardhani Survey No. 14 part and Potoli (Sangwe) Survey Nos. 6 and 13.

Part II.—Liberties Powers and Privileges to be exercised or enjoyed by the Lessee subject to the Restrictions and Conditions in Part III

Liberty to work mines.

1. Liberty and power to enter upon the lands referred to in Part I (hereinafter referred to as "the said lands") and to search for, win, work, get, raise and carry away the said minerals.

Liberty to sink pits, etc. [and use existing pits, etc].

2. *Liberty and power for or in connection with any of the purposes mentioned in this Part to sink drive, make, maintain and use in the said lands any pits, shafts, inclines, drifts, levels, waterways, airways and other works [and to use, maintain, deepen or extend any existing works of the like nature in the said lands.]*

Liberty to make works [and use existing works.]

3. *Liberty and power for or in connection with any of the purposes mentioned in this Part to erect, construct, maintain and use on or under the said lands any engines, machinery, plant, dressing floors, furnaces brick-kilns, lime-kilns, workshops, storehouses, bungalows, godowns, sheds and other buildings and other works and conveniences [and to use and maintain any existing works and conveniences of the like nature on or under the said lands].*

Liberty to make roads and ways [and use existing roads and ways].

4. *Liberty and power for or in connection with any of the purposes mentioned in this Part to make any tramways railways roads and other ways in or over the said lands and to use maintain and go and repass with or without horses cattle waggons or locomotives over the same [or any existing tramways railways roads and other ways in or over the said lands].*

Liberty to get building and road materials, make bricks, etc.

5. *Liberty and power for or in connection with any of the purposes [mentioned in this Part to quarry and get stone sand gravel and other building and road materials and clay and to use and employ the same and to manufacture such clay into bricks or tiles and to use such bricks or tiles but not to sell any such materials bricks or tiles.*

Liberty to use water.

6. *Liberty and power for or in connection with any of the purposes mentioned in this Part to appropriate and use any streams water courses springs or water in or upon the said lands and to divert stop up or dam any such stream or water-course and collect or impound any water and to make construct and maintain any water-courses culverts drains and reservoirs but not so as to deprive any cultivated lands villages buildings or watering places for live-stock of a reasonable supply of water as before accustomed nor in any way to foul or pollute any streams or springs.*

Liberty to use land for stacking.

7. *Liberty and power to enter upon and use a sufficient part of the surface of the said lands adjacent to any pits or works for the purpose of stacking heaping or depositing thereon any produce of the mines or works carried on and any earth materials and substances dug or raised under the liberties and powers mentioned in this Part.*

Liberty to take timber from reserved forest.

8. *Liberty and power for or in connection with any of the purposes mentioned in this Part to fell cut and use any timber or trees now standing or which hereafter may be standing upon the reserved forest land included within the said lands provided that not more than sixty-five acres of such reserved forest land shall be cleared in any one year nor the same place oftener than once in every year and not more than one thousand trees shall be felled in any one year and provided that the previous permission in writing of the Divisional Forest Officer for the time being (hereinafter referred to as the "Divisional Forest Officer") is obtained which permission shall be granted by the said Divisional Forest Officer from time to time on written application of the Lessee to the effect that the Lessee requires the additional area for bona fide and immediate extension of mining operations under this lease and provided also that the exercise of the liberty and power expressed in this clause shall be subject to the observance of the terms and conditions following that is to say—*

Part III.—Restrictions and Conditions as to the Exercise of the Liberties Powers and Privileges in Part II

No building, etc., upon certain places.

1. *No building or thing shall be erected set up or placed and no surface operations shall be carried on in or upon any public pleasure ground burning or burying ground or place held sacred by any class of persons or any house or village site public road or other place which the Government may determine on public grounds to bring within this restriction nor in such a manner as to injure or prejudicially affect any buildings works property or rights of other persons and no land shall be used for surface operations which is already occupied by persons other than the Government for works or purposes not included in this lease if any other land not so occupied is suitable and available for such surface operations.*

No surface operations upon land not already used therefor unless after notice and unless no objections thereto.

2. *Before using for surface operations any land which has not already been used for such operations the lessee shall give to the Divisional Forest Officer Northern Division Kanara (hereinafter called the Divisional Forest Officer) for the time being as the agent in that behalf of the Government two calendar months' previous notice in writing specifying the name or other designation the situation and the quantity of the land proposed to be so used and the purpose for which the same is required and such land shall not be so used if the said agent shall within two calendar months after the receipt by him of such notice state some objection to such use unless the objection or objections so stated shall on reference to the Government be annulled or waived by it.*

Except as provided in Part II no timber to be cut *without sanction of Collector.*

3. *Save as provided in clause 8 of Part II of this Schedule the lessee* shall not *without the express sanction of the Collector* cut down or injure any *timber or* trees on the said lands *but may without such sanction clear away any brushwood or undergrowth which interferes with any operations authorised by these presents.*

No reserved forest to be entered upon without sanction of Divisional Forest Officer.

Notwithstanding anything in this Schedule contained the lessee shall not enter upon any reserved forest included in the said lands without thirty days' previous notice in writing to the Divisional Forest Officer nor without obtaining the sanction in writing of that officer nor otherwise than in accordance with such conditions as that officer may in his absolute discretion prescribe.

No workings within 50 yards of public works, etc., except with previous permission.

4. No mining operations or workings shall be carried on or permitted to be carried on by the lessee in or under the said lands at or to any point within a distance of 50 yards from any railway reservoir canal or other public works or any building or inhabited site shewn on the plan hereto annexed except with the

previous permission in writing of the Government or some officer authorised by it in that behalf or otherwise than in accordance with such instructions restrictions either general or special which may be attached to such permission. The said distance of 50 yards shall be measured in the case of a railway reservoir or canal horizontally from the outer toe of the bank or the outer edge of the cutting as the case may be and in the case of a building horizontally from the plinth thereof.

For the purpose of this clause the expression "railway" shall have the same meaning as it is defined to have in the Indian Railways Act, 1890, by section 3 (4) of that Act.

Lessee to give information regarding the trees etc. cut and to give help in measuring and valuing them.

5. The lessee shall, within 15 days of completion of every clearing of Forest as aforesaid inform the Divisional Forest Officer in writing of the number and species of trees, timber which the lessee may have injured, felled, or uprooted in order to enable that officer to have the trees or timber measured and valued, and their number checked and the lessee shall give all reasonable help to that officer and his subordinates in locating such trees or timber and in measuring and valuing them.

Disposal of produce of Forest clearing.

6. The lessee shall if so required by the Divisional Forest Officer take over the produce of any such forest clearing as aforesaid at a valuation which shall be fixed by the Divisional Forest Officer whose decision in regard to the numbers and measurements and valuation shall be final and binding upon the lessee. The said produce may however be disposed of by the Divisional Forest Officer in such other manner as he may deem fit.

Deposit for price of timber and capital value

7. The lessee shall during the currency of this lease pay to the Divisional Forest Officer on the first day of September every year a deposit of Rs. 1,000 and the said deposit shall be held by the Divisional Forest Officer against the price of forest produce and the capital value payable by the lessee respectively under clauses (6) and (8) of this part of the schedule.

Disposal of land on which mining operations are concluded.

8. At the conclusion of the mining operations in any area for which permission has been given under clause 8 of part II of this schedule this lease shall in respect thereof determine and possession of such area shall thereafter be handed over by the lessee to the Divisional Forest Officer on behalf of Government and the lessee shall forthwith on demand pay the difference between the sum if any which the lessee may have already paid for the value of the trees cut down or other produce cleared or removed and the capital valuation, to be determined by the Divisional Forest Officer within a minimum of Rs. 200 and a maximum of Rs. 450 per acre such determination being final and binding on the lessee. For the purpose of this clause the lessee shall submit to the Divisional Forest Officer on the first day of September every year a return showing the area on which mining operations have been concluded during the year ending the 30th day of June preceding the said first day of September.

9. The amount to the credit of the lessee in respect of the deposits paid by the lessee under clause 7 of this part from time to time shall in the first instance be appropriated towards payments of the amounts payable by the lessee for the price of the forest produce and capital value under clauses (6) and (8) of this part respectively and the lessee shall remain liable to pay to the lessor forthwith the balance payable by him in respect of the said amounts after making the aforesaid appropriation.

Part IV.—Liberties Powers and Privileges reserved to the Government

Liberty to work other minerals.

1. Liberty and power for the Government or any lessee or person authorised by it in that behalf to enter into and upon the said lands and to search for win work dig get raise and carry away any minerals and any other substances and for those purposes to sink drive make erect construct maintain and use such pits shafts inclines drifts levels waterways airways water-courses drains reservoirs engines machinery plant buildings canals tramways railways roads ways and other works and conveniences as may be deemed necessary or convenient PROVIDED that in the exercise of such liberty and power no hindrance or interference shall be caused to or with the liberties powers and privileges of the lessee under these presents and that fair compensation shall be made to the lessee for all loss or damage sustained by the lessee by reason or in consequence of the exercise of such liberty and power.

Liberty to make railways tramways and roads.

2. Liberty and power for the Government and any lessee or person authorised by it in that behalf to enter into and upon the said lands and to make upon over or through the same any railways tramways or roads for any other than the purposes aforesaid and to get from the said lands stone gravel earth and other materials for making maintaining and repairing such railways tramways and roads or any existing railways tramways and roads and to go and repass at all times over or along any such railways tramways or roads for all purposes and as occasion may require.

Part V.—Rents and Royalties reserved by this lease

Fixed half-yearly rent.

1. The lessee shall as from the 1st day of October 1944 during the subsistence of this lease pay to the Government the certain half-yearly rent of Rs. 420–1–0. (Four hundred and twenty and anna one) on the 1st day of July and the 1st day of January in each year the first payment thereof to be made on the 1st day of January 1945 in respect of which rent the lessee may in the half-year in respect of which the same is payable sell and carry away such aggregate quantity of the said minerals as at the rates in the next succeeding clause mentioned would produce royalties for that half-year equal in amount to the said half-yearly rent but the said half-yearly rent shall be paid whether such quantity shall be sold and carried away or not.

Royalties.

2. The lessee shall during the subsistence of this lease pay to the Government on the 1st day of July and the 1st day of January in each year—

[royalty at the rate of 5 per cent. of the sale value at the pit's mouth of the dressed ore having manganese content of 48 per cent. and over and at the rate of 2½ per cent. of the sale value in respect of dressed ore having manganese content of less than 48 per cent.

Surface rent.

3. The lessee shall pay to the Government in respect of all parts of the surface of the said lands which shall from time to time be occupied or used by the lessee under the authority of these presents rent at the rate of Re. one (1-0-0) per annum per acre of the area so occupied or used and so in proportion for any area less than an acre during the period from the commencement of such occupation or use until the area shall cease to be so occupied or used and shall be restored to its original condition which rent shall be computed and shall be paid on each of the half-yearly dates hereinbefore appointed for payment of the said certain half-yearly rent PROVIDED that no such rent shall be payable in respect of the occupation or use of the area comprised in any roads or ways existing on the said lands at the commencement of the term of this lease.

Lessee to pay rent for forest area used or occupied in Dandeli Forest.

4. The lessee shall also pay to the Government rent at the rate of Rs. 10 per annum per acre for any forest area that may be used or occupied by them in the Dandeli Forest Depot or Railway Station Yard for erection of a building or for storing manganese ore or other mining produce, provided always that no such area shall be occupied without the previous permission in writing of the Divisional Forest Officer.

Part VI.—Provisions relating to the Rents and Royalties

Place of payment.

1. *The rents and royalties mentioned in Part V of this Schedule shall be paid free from any deductions to the Divisional Forest Officer at his office at Dharwar or to such other officer and at such other place as the Divisional Forest Officer shall from time to time appoint.*

PROVIDED ALWAYS and it is hereby agreed that Rs. (1,000) One thousand the balance standing to the credit of the lessee on account of the deposit made by it on applying for this lease shall be retained and accepted by the Government in satisfaction of the rents and royalties mentioned in Part V until they reach that amount.

Average clause.

2. *If in any half-year after the first 12 months of the said term the lessee shall not sell and carry away such aggregate quantity of the said minerals as at the rates mentioned in clause 2 of Part V of this Schedule would produce royalties for that half-year equal in amount to the said certain half-yearly rent then and in such case the lessee shall not in the next succeeding half-year pay any rent or royalty (other than the said certain half-yearly rent) in respect of the quantity of the said minerals sold or carried away in that half-year which is equivalent to the deficiency in the said minerals sold or carried away in the preceding half-year which shall at the rate of royalty payable during the succeeding half-year be required to produce royalty for the preceding half-year equal in amount to the said certain half-yearly rent.*

Mode of computation of royalty.

3. *For the purpose of computing the said royalty the sale value of the manganese ore shall be ascertained in accordance with the order of the Government issued from time to time.*

Part VII.—The Covenants of the lessee

To pay rents royalties rates and taxes.

1. The lessee shall pay the Government the rents and royalty reserved by this lease at the times and in the manner provided in Parts V and VI *and shall also pay and discharge all taxes rates assessments and impositions whatsoever being in the nature of public demands which shall from time to time be charged assessed or imposed upon or in respect of the mines or works of the lessee or any part thereof by authority of the Government of India or the Government of Bombay or otherwise*

except demands for land revenue and shall also pay interest at the rate of twelve (12) *per cent. per annum, on all arrears of such rents or royalty from the date whereon the same ought to be paid under these presents.*

To erect boundary marks.

2. The lessee shall at the lessee's own expense forthwith erect and at all times maintain and keep in repair boundary marks and pillars along the boundaries of the said lands according to the demarcation shown in the plan hereto annexed *and shall also in cases where in the opinion of the Government there is danger of mining operations extending beyond the boundary of the said lands keep the boundary-line between the said marks and pillars sufficiently clear of shrubs and other obstructions to allow of easy identification of such boundary.*

To start operations within a year and to work continuously.

3. Unless good cause exists for exemption from this present covenant (a question on which the decision of the Government shall be final) the lessee shall within one year from the date of this lease start mining operations in the said lands to the satisfaction of the Government and shall unless exempted as aforesaid thereafter at all times during the continuance of this lease search for win work and develop the said minerals without voluntary intermission in a skilful and workmanlike manner and upon the most approved principle without doing or permitting to be done any unnecessary or avoidable damage to the surface of the said lands or the crops buildings structures or other property thereon and shall not cultivate or use the said lands in any manner other than as authorised by these presents.

To secure pits and shafts.

4. The lessee shall during the said term well and sufficiently secure and keep open with timber or other durable means all pits shafts and workings that may be made or used in the said lands and make and maintain sufficient fences round every such pit or shaft and also shall at all times during the said term keep all workings in the said lands except such as may be abandoned free from water and from foul air as far as possible.

To strengthen and support mines.

5. The lessee shall on notice from the Government strengthen and support to satisfaction of the Government any part or parts of mine when in its opinion such strengthening and support is needed for the safety of any railway reservoir canal or other public work or any building whether the said railway reservoir canal or other public work or other building shall be existing during the working of such part or parts of the mine already existing or shall be constructed after the said part or parts of the mine have been worked out. Such strengthening and support shall be made and done at the expense of the lessee if they are needed for the safety of any railway reservoir canal or other public work or other buildings as aforesaid already existing at the time of the working of the said part or parts of the mine by reason of the lessee having conducted mining operations within the limits prohibited by clause 4 of part III of this schedule and in other cases at the expense of the Government.

To allow inspection of working.

6. The agents servants and workmen authorised by the Government in this behalf shall be at liberty at all reasonable times during the said term to inspect and examine all mines and works carried on by the lessee in or under the said lands and make surveys or plans thereof *and the lessee shall with proper persons employed by the lessee and acquainted with the mines and works effectually assist such agents servants and workmen in conducting every such inspection and shall afford them all information connected with the working of the mines which they may reasonably require and also shall and will conform to and observe all orders and regulations which the Government as the result of such inspection or otherwise may from time to time see fit to impose in the interests of public health and safety.*

To report accidents.

7. The lessee shall without delay send to the Collector of the District a report of any accident which may at any time occur at or in the said lands or any pit shaft or working therein.

To report discovery of other minerals.

8. Whenever the lessee shall find in the said lands any mineral product other than the said minerals the lessee shall immediately report such discovery in writing to the Collector of District with full particulars of the nature and position of each find.

To keep books of accounts and furnish abstracts, etc.

9. The lessee shall at all times during the said term keep or cause to be kept at an office to be situate upon or near the said lands correct and intelligible books of accounts upon such plan or principle and in such form as may be approved of by the Government which books shall contain accurate entries shewing from time to time (1) the quantity of the said minerals realised from the said lands (2) the quantity of the said minerals sold and exported respectively (3) the quantity of the said minerals otherwise disposed of and the manner and purpose of such disposition (4) the prices and other particulars of all sales of the said minerals (5) the number of persons employed in the mines or works in or upon the said lands and (6) all such other facts particulars and circumstances as the Local Government may consider necessary for conveniently ascertaining the

amount of the royalty from time to time payable under these presents and the lessee shall also furnish free of charge to such officer and at such times as the Local Government may appoint true and correct abstracts of all or any of such books of accounts and such information and returns as to all or any of the matters aforesaid as the Government may prescribe and shall at all reasonable times allow such officers as the Government shall in that behalf appoint to enter into and have free access to the said office for the purpose of examining and inspecting the said books of accounts and to take copies thereof and make extracts therefrom.

To keep plans of workings.

10. The lessee shall at all times during the said term cause to be made and kept at the said office correct and intelligible plans and sections of the mines in the said lands which plans and sections shall show as well the operations and workings carried on as also all views faults and other disturbances observed and encountered in such operations and workings *and all such plans and sections shall be amended and filled up by and from actual surveys to be made for that purpose at the end of every period of twelve months* and the lessee shall furnish free of charge to the Government true and correct copies of such plans and sections whenever thereunto required.

To provide weighing machine.

11. *The lessee shall provide and at all times keep at or near the pit head or each of the pit heads at which the said minerals shall be brought to bank a properly constructed and efficient weighing machine and shall weigh or cause to be weighed thereon all the said minerals from time to time brought to bank sold exported and shall at the close of each day cause the total weights ascertained by such means of the said minerals raised sold exported during the previous twenty-four hours to be entered in the aforesaid books of accounts and will permit the Government at all times during the said term to employ any person or persons to be present at the weighing of the said minerals as aforesaid and to keep accounts thereof and to check the accounts kept by the lessee.*

To allow test of weighing machine.

12. *The lessee shall allow any person or persons appointed in that behalf by the Government at any time or times during the said term to examine and test every weighing machine to be provided and kept as aforesaid and the weights used therewith in order to ascertain whether the same respectively are correct and in good repair and order and if upon any such examination or testing any such weighing machine or weights shall be found incorrect or out of repair or order the Government may require that the same be adjusted repaired and put in order by and at the expense of the lessee and if such requisition be not complied with within fourteen days after the same shall have been made the Government may cause such weighing machine or weights to be adjusted repaired and put in order and the expense of so doing shall be paid by the lessee to the Government on demand and if upon any such examination or testing as aforesaid any error shall be discovered in any weighing machine or weights to the prejudice of the Government such error shall be regarded as having existed for three calendar months previous to the discovery thereof or from the last occasion of so examining and testing the same weighing machine and weights in case such occasion shall be within such period of three months and the said rent and royalty shall be paid and accounted for accordingly.*

To pay compensation for injury to third parties.

13. The lessee shall make and pay reasonable satisfaction and compensation for all damage or injury to person or property which may be done by or on the part of the lessee in exercise of the liberties and powers granted by these presents and shall at all times save harmless and keep indemnified the Province of Bombay from and against all suits claims and demands which may be brought or made by any person or persons in respect of any such damage or injury.

Not to obstruct working of other minerals.

14. The lessee will exercise the liberties and powers hereby granted in such a manner as to offer no unnecessary or reasonably avoidable obstruction or interruption to the development and working of any minerals not included in this lease and will at all times afford to the Government and to the holders of prospecting licences or mining leases in respect of any such minerals or any minerals within any lands adjacent to the said lands reasonable means of access and safe and convenient passage upon and across the said lands to such minerals for the purpose of getting working developing and carrying away the same.

Restrictions on assignment or transfer.

15. The lessee shall not assign this lease or transfer any interest hereunder without the previous written sanction of the Government, nor shall the lessees allow this lease or any interest hereunder to be attached or sold in execution of any decree or order of a court or Revenue officer.

PROVIDED that in case of any such assignment or transfer as aforesaid (authorized or sanctioned by or under this provision) the instrument thereof shall within three calendar months from the date of its completion be produced to the Collector and the sum of Rs. 50 paid to the Collector as the fee for registration thereof in his office.

Not to be financed or controlled by a Trust Syndicate Corporation firm or person.

16. The lessee shall not enter into or make any arrangement compact or understanding whereby the lessee will or may be directly or indirectly financed by or under which the lessee's operations or undertakings will or may be carried on directly

or indirectly by or for the benefit of or subject to the control of any Trust Syndicate Corporation firm or person unless with the written sanction given prior to such arrangement compact or understanding being entered into or made with the Government and any or every such arrangement compact or understanding as aforesaid (entered into or made with such sanction as aforesaid) shall only be entered into or made and shall always be subject to an express condition binding upon the other party or parties thereto that in the event of the existence of a state war or grave national emergency (of which existence the Government shall be the sole judge and a notification to this effect in the official Gazette shall be conclusive proof) it shall be terminable if so required in writing by the Government and shall in the event of any such requisition being made be forthwith thereafter determined by the lessee accordingly.

To deliver up mines, etc., in good order.

17. The lessee will at the expiration or sooner determination of the said term deliver up to the Government all mines p'ts shafts inclines drifts levels waterways airways and other works [now existing] hereafter to be sunk or made under the said lands (except such as may have been abandoned with the sanction of the Government or in an ordinary and fair course of working) and all engines machinery plant buildings structures and other works and conveniences which at the commencement of the said term were upon or under the said lands and all engines machinery plant and fixtures set up by the lessee below ground level which cannot be removed without causing injury to any mines or works under the said lands (except such of the same as may with the sanction of the Government have become disused) and all buildings and structures of brick or stone erected by the lessee above ground level in good repair order and condition and fit in all respects for further working of the said minerals.

To remain British in constitution.

18. (*a*) The lessee shall at all times during the said term remain or be a British incorporated body established in British India or the United Kingdom or some other part of His Majesty's dominions and of which at all times during the said term the Managing Agents shall be a British subject or British subjects and the Managing Agents shall be an unincorporated body of which every member is a British subject in every respect answering the description and satisfying the conditions last hereinbefore contained and laid down as those to which the body itself must as the lessee conform.

(*b*) The Local General Manager and not less than (75) Seventy-five per cent of the local staff employed by the lessee shall at all times during the said term be a British subject or British subjects and neither the lessee nor the said mines and minerals shall at any time during the said term be or become directly or indirectly controlled or managed by any person or persons who are not a British subject or subjects or a Company in every respect answering the description and satisfying the conditions last hereinbefore mentioned.

19. The lessee being a company or corporation shall report to the Government any alteration in its Memorandum or Articles of Association or in its constitution within fifteen days after the same shall have been made and shall give two months' previous notice in writing to the Government of any intention or proposal to make any such alteration which might conceivably affect its British status or character and no such alteration shall be made unless the Government shall have previously consented thereto in writing PROVIDED ALWAYS that the consent of the Government shall not be refused to any such alteration as aforesaid in the Memorandum and Articles of Association or the constitution of the lessee unless in its opinion such alterations shall be contrary to the cardinal principle laid down by the Government in respect of the said minerals that is to say that the lessee shall be and remain a British Company under British control.

Right of pre-emption.

20. (*a*) The Government shall from time to time and at all times during the said term have the right (to be exercised by notice in writing to the lessee under the hand of any Secretary to Government) of pre-emption of the said minerals (and all products thereof) lying upon the said lands hereby demised or elsewhere under the control of the lessee and the lessee shall with all possible expedition and so as to avoid demurrage on the vessel or vessels engaged to convey the same deliver all minerals or products of minerals purchased by the Government under the power conferred by this provision in the quantities at the times in the manner and at the place of shipment or storage specified in the notice exercising the said right.

(*b*) Should the right of pre-emption conferred by this present provision be exercised and a vessel chartered to carry the minerals or products thereof procured on behalf of the Government hereunder be detained on demurrage at the port of loading the lessee shall pay to the Government the amount due for demurrage according to the terms of the charter party of such vessel unless the Government shall be satisfied that the delay is due to causes beyond the control of the lessee.

(c) The price to be paid for all minerals or products of minerals taken in pre-emption by the Government in exercise of the right hereby conferred shall be the fair market price for the time being to be determined in default of agreement by the Local Government under the provision hereinafter in clause 13 of Part IX of this schedule contained PROVIDED THAT in order to assist in arriving at the said fair market price the lessee shall if so required furnish to the Government by way of confidential information particulars of the quantities descriptions and prices of the said minerals or products thereof sold to other customers and of charters entered into for freight for carriage of the same and shall produce to such officer or officers as may be directed by the Government original or authenticated copies of contracts and charter parties entered into for the sale or freightage of such minerals or products.

(*d*) In the event of the existence of a state of war or grave national emergency (of which existence the Government shall be the sole judge and a notification to this effect in the official Gazette shall be conclusive proof) the lessee shall on receiving a notice in writing under the hand of any Secretary to Government of Bombay requiring it so to do use its utmost endeavours to increase the supply to or for the Government of the minerals or products thereof purchased by it as aforesaid to the extent specified in such notice.

Maintenance of roads and payments for up-keep of roads.

21. The lessee shall keep up and maintain to the satisfaction of the Government all roads passing through the said lands and shall also pay to Government by way of contribution a sum of Rs. 1,000 (one thousand) per annum on or before the 29th day of April in every year for the up-keep and maintenance of roads outside the said lands used by it for the transport of all minerals.

PROVIDED, however, that the lessee shall be liable to pay only such portion of actual cost spent for the up-keep and maintenance of the said roads as is attributable in the opinion of the Collector to the transport on the said roads by the lessee of the said minerals and shall be given credit in the next year for the surplus if any, out of the amount paid in the previous year and the decision of the Collector as to the amount actually required or spent shall be final and binding on the lessee.

Construction of a light railway.

22. If the lessee desires at any time to construct a light railway or other form of transport for transporting its ore it shall do so subject to the following conditions, viz, (1) for lines outside the leased premises: It shall submit a map (on scale of 8 inches to the mile) prepared from a final field survey and showing the exact alignment proposed for the railway. In addition drawings or necessary details of design may be required. (2) For lines outside the leased premises: It shall not commence to construct such railway unless the alignment and design proposed by it have been duly approved by the Forest Engineer, Belgaum.

Enlisting services of labourers.

23. The lessee shall not enlist the services of labourers regularly employed by the Forest Department or the Forest Engineering branch without the previous consent in writing of the Divisional Forest Officer or the Forest Engineer, Belgaum.

Lessee not to interfere with grazing.

24. The lessee shall not interfere with or prevent grazing on the said land nor shall the lessee interfere with or prevent the removal therefrom of forest produce by the Forest Department except such forest produce as may have been taken over by it in accordance with clause 6 of Part III of this Schedule.

Lessee to clear and burn vegetation.

25. The lessee shall before commencing mining operations, clear and as soon as the vegetation is sufficiently dry, burn fire traces fifty feet wide round that part of the said lands where he intends to carry on mining operations during each year and shall keep such fire lines clear from 1st December to 15th June each year.

Precaution against fire.

26. The lessee shall not light any fire upon the said lands (except under such conditions as the Divisional Forest Officer may in writing specify) and the lessee and its workmen and employees shall render prompt assistance in extinguishing any fire on the said lands or in their vicinity. The lessee shall be liable for all damage resulting from fire caused by the act or omission of the lessee or its employees and shall pay such compensation for the said damage caused as may be assessed by the Divisional Forest Officer. The decision of the Divisional Forest Officer as to the amount of compensation payable by the lessee shall be final and binding on the lessee.

Engaging lorries for conveyance of Manganese ore.

27. The lessee shall not ply lorries exceeding one and half tons weight for the purpose of conveying manganese ore and the cubic contents of ore in each lorry shall not exceed 30 cubic feet without the previous consent of the District Magistrate, Kanara.

28. The Lorries engaged in transport of manganese ore shall be driven on forest roads at a speed not exceeding 15 miles per hour when loaded and not exceeding 20 miles when unloaded and on the other roads, at such rate as may be fixed by the District Magistrate, Kanara.

Driving of lorries on Forest and P. W. D. roads.

29. The lessee shall stack manganese ore in Dandeli only in plots assigned to them for that purpose by the Divisional Forest Officer and the lessee shall approach these plots only by the routes fixed by the Divisional Forest Officer. The lorries shall only be parked in parking places indicated to the lessee by the Divisional Forest Officer.

Stacking of Manganese in plots assigned for that purpose.

30. The lessee shall be permitted to carry on mining operations within 50 yards from the P. W. D. roads passing through the said lands subject to the following conditions : —

Mining operations within 50 yards from the P. W. D. road passing through the leased area.

(*a*) No obstruction shall be caused to the traffic on the road.

(*b*) If blasting is resorted to the lessee shall take suitable precautions and shall follow the rules given at pages 22 and 23 of the Marryat's Specification Volume I.

(*c*) No excavations shall be made save with the previous permission in writing of the Executive Engineer, Kanara and after such excavations have been marked out.

(*d*) All excavations shall be made under supervision of the Sub-divisional Officer, P. W. D., Haliyal.

(*e*) Excavations shall be done on the upstreams (hill) side and clean finished slope 2 : 1 shall be left after each portion is completed.

(*f*) The extra stuff shall be dumped on the down stream (Valley) side which shall be nearly levelled up in such a way that its top shall be lower than the road level.

(*g*) A gutter 3 feet wide and 2 feet wide and 2 feet deep shall be excavated on the hill side, at the place pointed out by the Sub-divisional Officer, Haliyal, to drain away the water from the Hill slope to the nearest Nalla or bridge.

(*h*) A sum of Rs. 200 in cash shall be deposited with the Executive Engineer, Kanara, as security for the due fulfilment of the conditions mentioned above.

(*i*) An additional sum of Rs. 10 shall be deposited for each length of 100 feet of the hill side against dressing of the slopes which amount will be refunded after the completion of the work and on proper dressing of the slopes and side of the road.

31. The lessee shall in regard to such portion of the said lands as have not been cleared of forest abide by the rules of the Forest Department for the time being for the protection of Forests and nothing in foregoing clauses shall be taken to exempt the lessee or any of his workmen or employees from liability in respect of any offence on account of the injury caused to the forest or its produce (except as hereinbefore provided) or any offence punishable under the Indian Forest Act, 1927 (XVI of 1927).

Lessee to abide by rules of Forest Department etc.

Part VIII.—The Covenants of the Government

1. *The lessee paying the rents and royalties hereby reserved and observing and performing all the covenants and agreements herein contained and on the part of the lessee to be observed and performed shall and may quietly hold and enjoy the rights and premises hereby demised for and during the term hereby granted without any lawful interruption from or by the Government or any person rightfully claiming under it.*

For quit enjoyment.

2. *If the lessee shall be desirous of taking a renewed lease of the premises hereby demised for a further term of not exceeding ten years from the expiration of the said term hereby granted and of such desire shall prior to the expiration of such last mentioned term give to the (Collector of the District) six calendar months' previous notice in writing and shall pay the rents and royalties hereby reserved and observe and perform the several covenants and agreements herein contained and on the part of the lessee to be observed and performed up to the expiration of the said term hereby granted the Government will upon the request and at the expense of the lessee and upon its executing and delivering to the Government if required a counterpart thereof execute and deliver to the lessee a renewed lease of the said premises for the further term not exceeding ten years at such rents not exceeding twice the rents hereby reserved and at such royalties as may on the day next following the expiration of the said term hereby granted be in force under the orders of Government but otherwise upon the like terms and under and subject to the like covenants and agreements as are contained in these presents except this covenant for renewal.*

To renew.

Part IX.—General Provisions

Power of distress.

1. If any rent or royalty hereby reserved shall be in arrear or unpaid for the space of two calendar months next after the day whereon the same ought to be paid then (whether the same shall have been formally demanded or not) and so often as the same shall happen the Government may enter into and upon the said land and may distrain all or any of the minerals mineral or removable engines, machinery plant live and dead stock and other moveable property belonging to the lessee which shall be found in or upon the same premises and may sell and dispose of the same and apply the proceeds thereof in or towards the satisfaction and payment of the rent or royalty which shall then be in arrear and all costs and expenses occasioned by the non-payment thereof or by such distress.

Power of re-entry.

2. *Penalty for breach of Covenant.*—(*a*) If any rent or royalty hereby reserved shall be in arrear or unpaid for the space of six calender months next after the day whereon the same ought to be paid (whether the same shall have been legally demanded or not); or

(*b*) if any penalty fixed under the proviso at the end of this clause or under clause 3 of this part is not paid within the time specified for such payment; or

(*c*) if the lessee shall fail or neglect to observe or perform any of the covenants and agreements contained in clauses 1 and 4 of Part III and in clauses 1, 3, 5, 6, 9, 10, 11, 14, 15, 16, 18, 19 and 20 of Part VII of these presents and on the part of the lessee to be observed and performed; or

(*d*) if this lease or any interest hereunder is attached or sold in compliance with any decree or order of a Court or Revenue Officer; or

(*e*) in case it shall appear to the Government that its sanction to any such assignment transfer grant arrangement compact or understanding as mentioned in clauses 15 and 16 of the covenants by the lessee hereinbefore in Part VII of these presents contained was improperly obtained or that any improper use of the rights or powers under any such arrangement compact or understanding as aforesaid of any party thereto has been made by or with the connivance of the lessee; or

(*f*) if the lessee shall fail (unless exempted by the Government for good cause) during three consecutive years of the said term to get from the said lands so much of the said minerals as at the rates of the royalty hereinbefore mentioned would produce royalties for those years equal in amount to the said certain half yearly rent payable during that period; or

(*g*) an order shall be made for winding up such company or an effective resolution shall be passed for winding up (except when company is being wound up for the purpose of reconstruction and the Government has sanctioned under clause 15 of Part VII the assignment or transfer of the original company's interest in the lease to the reconstructed Company.

Then and in any such case it shall be lawful for the Government at any time within two years of the date on which such default, failure, neglect or any other cause for re-entry above-mentioned came to the notice of Government and although advantage may not have been taken of any previous cause for re-entry to re-enter into and upon the said premises or any part thereof in the name of the whole and thereupon this present lease and the said term and the liberties powers privileges hereby granted shall absolutely cease and determine but without prejudice to any right or remedy of the Government in respect of breach of any of the covenants and agreements contained in these presents or for the recovery of any rent or royalty remaining unpaid.

PROVIDED that in cases falling under sub-clauses (*c*), (*e*) or (*f*) mentioned above, it shall be lawful for the Government or in consideration for the non-exercise of the power of re-entry to require the lessee to pay within the specified time such penalty for the default failure neglect or other cause for re-entry not exceeding four times the amount of the said certain half-yearly rent as the Government may fix.

Penalty for breach of covenant.

3. If the lessee shall at any time during the said term commit a breach of any convenant or agreement contained in these presents and on the part of the lessee to be observed or performed it shall be lawful for the Government as the consideration for the non-exercise of the power of re-entry contained in the last preceding clause hereof to receive from the lessee such penalty for the breach not exceeding four times the amount of the said certain half-yearly rent as the Government may fix.

4. The lessee (having first paid and discharged the rents and royalties payable by virtue of these presents) may at the expiration or sooner determination of the said term or within six calendar months thereafter (unless the lease shall be determined under clause 2 of this part and in that case at any time not less than three calendar months nor more than six calendar months after such determination) take down take up and remove for the benefit of the lessee all or any engines machinery plant buildings structures tramways railways and other works erections and conveniences which may have been erected set up or placed by the lessee in or upon the said lands and which the lessee is not bound to deliver up to the Government under clause 17 of Part VII of this Schedule and the Government shall not desire to purchase under the provisions of clause 5 of this part and also all minerals and mineral ore won by the lessee under the authority of these presents and then remaining in or upon the said lands making reasonable compensation for all damage done to the said lands by such removal.

Power to ressee to remove property.

5. *If at the expiration or sooner determination of the said term the Government shall desire to purchase all or any of the engines machinery plant buildings structures tramways railways and other works erections and conveniences which may have been erected set up or placed by the lessee in or upon the said lands and which the lessee is not bound to deliver up under clause 17 of Part VII of this Schedule and if such desire shall be signified by a notice in writing given to the lessee by the Collector six calendar months before the expiration or sooner determination of the said term or if this lease shall be determined under clause 2 of this Part at any time within three calendar months after such determination then and in such case the articles and things specified in such notice shall not be removed by the lessee but shall be purchased by the Government at a price equivalent to the cost of the same at the time of their erection upon the said lands after deducting from such cost a sum equal to eight per cent. thereof for every year which shall have elapsed since that time.*

Power of Government to purchase property.

6. If at the expiration of six calendar months after the expiration or sooner determination of the said term there shall remain in or upon the said lands any engines machinery plant buildings structures tramways railways and other works erections and conveniences or minerals or mineral ores or other property which the lessee is entitled to remove from the said lands the same shall if not removed by the lessee within one calendar month after notice in writing requiring their removal be given to the lessee by the Collector be deemed to become the property of the Crown and may be sold or disposed of for the benefit of the Province in such manner as the Government shall deem fit without liability to pay any compensation or to account to the lessee in respect thereof.

Forfeiture of property left for more than six months after determination of lease.

7. The lessee may at any time determine this lease by giving not less than twelve calendar months' notice in writing to the Collector and upon the expiration of such notice and provided the lessee shall upon such expiration render and pay all rents royalties compensation for damage and other moneys which may then be due and payable under these presents to the Government or any other person or persons and shall deliver up these presents to the Collector then this present lease and the said term and the liberties powers and privileges hereby granted shall absolutely cease and determine but without prejudice to any right or remedy of the Government in respect of any breach of any of the covenants or agreements contained in these presents.

Power to surrender.

8. If at any time during the continuance of this demise the said mines and works shall become destroyed or rendered substantially and permanently unfit for the purposes of this demise by fire tempest or flood or violence of any army or mob or other irresistible force presents shall at the option of the lessee be void PROVIDED that if the injury be occasioned by the wrongful act or default of the lessee or the servants of the lessee the lessee shall n t be entitled to the benefit of this provision. AND PROVIDED ALSO that if this lease shall become void for or by reason of any of the causes aforesaid it shall be without prejudice to the rights and remedies of the Government under or by virtue of these presents for the recovery of any rent or royalty which may hen remain unpaid or in respect of any breach which may have been committed of any of the covenants herein contained on the part of the lessee.

Destruction of mines or works.

9. In the event of the existence of a state of war or grave national emergency (of which the Government shall be the sole judge and a notification to this effect in the official Gazette shall be conclusive proof) the Government after notice in writing to the lessee under the hand of any Secretary to Government of its intention so to do may forthwith take possession or assume control of the works plant machinery and premises of the lessee at or in connection with the said mines and may pre-empt at prices fixed by the Government all minerals (and all products thereof) extracted from or lying upon the said mines during such possession or control and the lessee shall conform to and obey all directions given by or on behalf of the Government regarding the use or employment of such works plant and premises and minerals PROVIDED THAT fair compensation which shall be determined in default of agreement by the Government under the provision hereinafter in clause 13 of this Part contained shall be paid to the lessee for all loss or damage sustained by it by reason or in consequence of the exercise of the powers conferred

Power to take possession in event of war or emergency.

by this clause and PROVIDED ALSO that the exercise of such powers shall not determine the said term hereby granted or affect the terms and provisions of these presents further than may be necessary to give effect to the provisions of this clause.

Lessee's right in respect of other minerals.

10. If any minerals not included in this lease shall during the said term be discovered by the lessee within the said lands and if no mining lease shall then be held by any other person in respect of the same the lessee shall during the twelve calendar months next succeeding the discovery therof have the option of taking a mining lease in accordance with the rules prescribed by the Government for the grant of prospecting licenses and mining leases in respect of such minerals over so much of the said lands as the lessee may desire and during such period of twelve calendar months the lessee shall be entitled to win work and carry away any of the minerals so discovered on payment therefor to the Government of such royalty not being less than 20 per cent. of the value of such minerals as the Government may prescribe or in case of precious stones shall have the right during the said period of twelve calendar months to the first offer of such mining lease in respect of such precious stones as the Government may think fit to grant.

Service of notices on lessee.

11. Every notice by these presents required or authorized to be given to the lessee may be given to such person resident on the said lands as the lessee may appoint for the purpose of receiving such notices or if there shall be no such person then to any person in the employ of the lessee who may be found upon the said lands or if no such person be found then the same may be left at the said office of the lessee upon the said lands or affixed in a conspicuous position upon some building or erection in the occupation of the lessee upon the said lands.

Interpretation of term "Collector".

12. In these presents the expression "the Collector" shall mean the Collector of Kanara or the Revenue Officer in charge of the district within which the said lands are situate.

13. If and whenever any question or dispute shall arise in regard to the construction meaning or effect of these presents or any clause or thing herein contained or in regard to the manner or sufficiency of the observance or performance by the lessee of any covenant or agreement herein contained or in regard to the mode of working of the said minerals or the maintenance or condition of any works in or upon the said lands in regard to any valuation to be made under these presents or in regard to the amount or payment of any rent royalty compensation or other money payable by the lessee or in regard to any other matter or thing relating to or arising out of these presents such question or dispute shall be referred to the Government or such officer as the Government may authorise in this behalf and the decision of the Government or of the Officer so authorised, as the case may be, shall be final binding on the parties hereto :

PROVIDED ALWAYS that any dispute as regards the price to be paid under clause 20(c) of part VII of this schedule shall be determined by two arbitrators one to be nominated by the Government and the other by the lessee or case of disagreement between the arbitrators by an umpire to be appointed by the arbitrators in writing under their hands before proceeding with the arbitration and the decision of such arbitrators or umpire as the case may be, shall be final and binding on the parties hereto.

SIGNED SEALED AND DELIVERED by R. J. Ribello Collector of Kanara on behalf of the GOVERNOR OF BOMBAY in the presence of—

(1) sd. M. H. Farokhi

(2) sd. H. M. Naik

SIGNED SEALED AND DELIVERED on behalf of the COLLECTOR OF KANARA — in the presence of—

sd. R. J. Ribello, Collector of Kan

(1) sd. M. H. Farokhi

(2) sd. H. M. Naik

THE SEAL OF THE KANARA MINING COMPANY LTD. was affixed hereto pursuant to a resolution of the BOARD OF DIRECTORS in that behalf dated

in the presence of—

sd. Donald Reginald Cavendish Hartley

(Signed) Killick Nixon & Co. Agents

sd. C. N. Carve Director.

BOMBAY: PRINTED AT THE GOVERNMENT CENTRAL PRESS.

sd. W. J. Higgah William James Higgah

Killick Nixon & Co. Fort, Bombay.

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NO; 296

Legal Department,
Bombay Castle, 9th January 1948.

From

The Solicitor to the Government of Bombay,

Bombay

To

The Collector of Kanara.

Subject:- Mining Lease.
Renewal of the lease to Messrs. Killick Nixon & Coy.

Reference:- Your letter No.S.79/12+18 dated 31st December 1947.

I have the honour to acknowledge the receipt of the copy of the Mining Lease granted to Messrs. Killick Nixon and Company.

Offg. Solicitor to Government.

JSA.

Submitted after issue
Title in Mining Leases 148

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Mining Leases 148

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Rev 1/7

Letter.

To

The Collector of Dharwar.

No.4819/45-F. Bombay, 22nd June 1948.

Reference your letter, No.R.E.V.812, dated 4th February 1948, regarding the grant of a mining lease for a species of hydrated iron oxide and admixture of a clayey substance to Mr. P.R.S.Pai for a period of ten years in respect of survey numbers 62 and 70 of Sootkoti taluka Hirekur, district Dharwar. The accompanying draft lease as amended by the Solicitor to Government in the Legal Department is approved.

2. You are requested to arrange for the printing of twelve copies of the lease and its counterpart at the Government Central Press. The plan of the leased areas should be lithographed at the Government Photozinco Press, Poona.

3. One copy of the completed document should be sent to Government and the other to the Solicitor to Government in the Legal Department.

4. The cost of printing the lease and lithographing the plans should, for the purpose of proforma accounts, be debited to the Head "25 General Administration.".

By order of the Governor of Bombay,

For Under Secretary to the Government of Bombay
Revenue Department.

Accompaniment :- Draft lease.

Copies to :-
the Commissioner, Southern Division (with reference to his memorandum, No.REV 564, dated 23rd February 1948),
the Chief Conservator of Forests,
the Chief Conservator of Forests, Southern Circle,
the Director of Industries,
the Solicitor to Government,
the Superintendent Government Printing and Stationery,
the Manager, Government Central Press,
the Manager Government Photozinco Press,
the Accountant General (through the Finance Department),
the Finance Department.

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GDP/22.

Branch

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Submitted

Rle in Mining Lease 148

PMP

H)

Sols BN 47

Leases 148

Mining

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